

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2001-26-C - ORDER NO. 2001-433  
MAY 11, 2001

IN RE: Application of Domino Networks	) ORDER GRANTING
Communications, Inc. for a Certificate of	) CERTIFICATE FOR
Public Convenience and Necessity to Provide	) LOCAL AND
Local Exchange and Intrastate Interexchange	) INTEREXCHANGE
Telecommunications Services in the State of	) AUTHORITY AND FOR
South Carolina and for Alternative Regulation	) ALTERNATIVE AND
and Flexible Regulation.	) FLEXIBLE REGULATION

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Domino Networks Communications, Incorporated ("Domino" or the "Company") for authority to provide local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2000) and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed Domino to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas

affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”) on February 23, 2001.

On March 16, 2001, counsel for SCTC filed with the Commission a Stipulation in which Domino stipulated that it would seek authority only in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Domino provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Domino agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on April 25, 2001, at 10:30 a.m. in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. Domino was represented by John J. Pringle, Jr., Esquire. Adelaide D. Kline, Staff Counsel,

represented the Commission Staff. Gary Killian, Director, Senior Manager, Network Construction and Implementation for Domino, appeared and testified in support of the Application. Vivian B. Dowdy, Auditor, and David S. Lacoste, Engineer in Telecommunications, testified on behalf of the Commission Staff.

According to the record, Domino is a newly formed corporation and wholly-owned subsidiary of Domino Networks, Inc. It was incorporated under the laws of the State of Delaware on November 14, 2000, and has three regional offices, with corporate headquarters in Falls Church, Virginia. Domino was formed initially as a subsidiary of BroadBand Office, Inc. (BBO), the parent company of BroadBand Office Communications, Inc. (BBOC), which was authorized by this Commission to provide local exchange and interexchange services in Docket No. 2000-0017-C, Order No. 2000-412. The record further reveals that the management of BBO recently determined to separate BBO and its assets and personnel into two companies. In general, assets and personnel used in providing in-building and telecommunications and information services to business customers in multi-tenant building remain with BBO, while assets and personnel used to provide metropolitan and long-haul network services were assigned to DNC. Therefore, DNC will take over the ongoing operations of a portion of BBO's telecommunications business and will be staffed by personnel familiar with the operation of BBO's network. Domino has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. Mr. Killian testified that Domino Networks Communications, Inc. has changed its name since it filed its Application with this Commission to Zephion Networks Communications, Inc. in order

to avoid potential name confusion with the Domino pizza chain, and will formally notify the Commission of this name change. In providing services in South Carolina, Domino intends to provide local exchange and intrastate interexchange telecommunications services on both a facilities-based and resale basis. In addition, Domino asked this Commission for approval of alternative regulation of its business services as was first approved by the Commission in Docket No. 95-661-C, and flexible regulation for local exchange services first approved in Docket No. 97-467-C.

Mr. Killian opined that Domino possesses the financial, technical, and managerial resources to provide telecommunications services in the State of South Carolina. He said Domino will construct its own fiber optic network and facilities to provide voice and data communications services, dedicated access services, and private line data communications services to its customers. Domino proposes to provide a broad range of telecommunications services, including resold and facilities-based local exchange and interexchange telecommunications services to business subscribers. Mr. Killian testified that Domino also proposes to lease its dedicated and private line fiber optic communications infrastructure to wholesale carriers. He further testified that Domino's network will be based upon voice over Internet protocol (VoIP) technology and will employ Sonus Networks packet switches. He said Domino may supplement these services with other resold services provided by incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), or interexchange carriers (IXCs). In addition, Domino intends to lease its dedicated and private line fiber optic communications infrastructure to wholesale carriers. Mr. Killian said initially, Domino

may lease the fiber optic facilities of other carriers while its own facilities are being built. He said as Domino completes the build-out of its network, it will move this traffic onto its own network. The record reveals that Domino's interexchange services may include direct dial (1+) services, measured toll services, private line services and toll-free (e.g. 800, 888) services.

As to Domino's managerial abilities to provide the service in South Carolina which it seeks to provide, Mr. Killian said that Domino's key personnel team includes individuals who collectively have about one hundred and ten years of experience in the telecommunications industry and in a wide variety of other businesses. Mr. Killian testified that he spent twenty-one years in the Bell system in mid and upper management positions. Johnson Agogbua is Domino's President. He possesses eleven years of experience in network engineering and architecture, having served as Director of Global Network Engineering and Architecture at UUNET (an MCI Worldcom company) and Vice President of Advanced Network Engineering and Technology at the Business Technology Organization at Salomon, Inc. (now Salomon Smith Barney). Woody Traylor is Vice President of Regulatory Affairs. Mr. Traylor has thirty years of telecommunications experience and manages company activities on state and federal regulatory matters. Before he joined Domino, he was Vice President of Regulatory Affairs for Broadband Office Communications, Inc. Charles Meyer is Vice President of Operations. Mr. Meyer has over thirteen years in the technology and telecommunications industries. William W. Barns, Domino's Director of Infrastructure Engineering, has over twenty-four years experience in the development of packet-based networks in both the

private and public sectors. Mr. Barns served as Director of Technology and Standards for UUNet Technologies. Kenneth R. Frank is Senior Vice President Network. He will be responsible for all facets of Domino's network development and deployment. Prior to joining Domino, Mr. Frank served as Director of Product Development of Broadband Office Communications. Mr. Frank had previously been with BellSouth in various technical management positions. Domino's management team also includes Charles Meyer, Director of Construction and Technology Installation, who previously served as a senior manager at UUNet Technologies.

Mr. Killian's testimony reveals that Domino seeks authority to provide both facilities-based and resold local and interexchange services in South Carolina. He said the Company is seeking nationwide certification. At the time of the hearing, Mr. Killian stated that Domino is certificated in seventeen states and had applications pending in eighteen states. He said the Company is in the start up mode and at the time of the hearing was not yet providing services in any state. He testified the Company expected to begin offering services sometime during 2001. Mr. Killian testified that Domino seeks authority to operate as a resold and facilities-based local exchange services carrier, as well as a resold intrastate interexchange provider of high-speed data services. He said the Company is currently in negotiations for its underlying carrier and he assured the Commission that it will employ the services of reputable, established carriers that have been properly certified by this Commission. Mr. Killian offered that Woody Traylor will serve as the Company's regulatory and customer service contact person.

With regard to Domino's financial ability to operate as a telecommunications carrier, Mr. Killian states that Domino has access to the financing and capital necessary to conduct its telecommunications operations in South Carolina. The record reveals that Domino will take over a portion of the assets and personnel of BBO and will continue to operate that business as a going concern. The record further reveals that DNC also has received additional capital investments that will enable it to operate and expand the network it receives from BBO. Mr. Killian stated that Domino is financially in good shape and is looking for its second round of funding. He testified that Domino has access to lines of credit and has private financing available.

As to the Company's customer service, the record reveals that Domino will offer comprehensive customer service, providing support through its Fall Church, Virginia, customer service center on a twenty-four hour a day, seven day a week basis. The toll-free telephone number is 1 (888) 535-4226. The customer service center is currently staffed by five employees. Services will be billed monthly by Domino at the rates specified in its tariff. Bills will include the Company's name and address and a toll-free number for inquiries or complaints. Customers wishing to switch to Domino for services will be required to sign a letter of authorization.

Mr. Killian asserts that Domino will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Mr. Killian assured the Commission that Domino's service will meet applicable service standards and that Domino will support universally available telephone service at affordable prices. Further, Mr. Killian offered that approval of Domino's Application serves the public interest by

increasing telecommunications competition in South Carolina thereby bringing about lower rates, improved quality of service, and enhanced services. Moreover, the presence of Domino in the market will increase incentives for the ILEC's to reduce their prices, offer more innovative services, and improve their quality of service thereby benefiting all consumers in South Carolina. Mr. Killian also offered that approval of Domino's Application would not adversely impact the availability of affordable local service because approval of the Application should enhance competition in South Carolina which, in turn, should increase downward pressures on rates as well as enhance product and service quality and diversity. Mr. Killian stated he was familiar with Commission Staff witness David Lacoste's testimony and confirmed that the Company would be willing to make all of Mr. Lacoste's suggested changes to its final tariff. In addition, Mr. Killian agreed to add the email address and telephone number to each tariff page.

Finally, Mr. Killian discussed Domino's requests for certain waivers of Commission regulations and for relaxed regulatory treatment. Domino requests that the Commission regulate its interexchange business services, consumer card, and operator service offerings in accordance with the principles and procedures established by Orders No. 95-1734 and 96-55 in Docket No. 1995-661-C. In addition, the Company requests that the Commission regulate its local exchange telecommunications services under the flexible regulatory treatment approved by Order No. 1998-165 in Docket No. 1997-467-C. Domino asks that it be exempt from any rules or regulations that would require it to keep its financial records in conformance with the Uniform System of Accounts. Domino seeks to maintain its books of accounts in accordance with the Generally Accepted



Accounting Principles. Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 2000) so that it will not be required to publish local exchange directories. Domino will contract with at least one incumbent local exchange carrier for the inclusion of Domino's CLEC data base into the master customer data base of the local exchange carrier. The Company also seeks waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2000) so that Domino can maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in Falls Church, Virginia. Domino also requested that it not be subjected to various reporting requirements.

Ms. Dowdy testified as to her findings of the Audit Department's review of Domino's financial statements that were submitted as part of the Company's Application. She stated she reviewed financial statements dated December 31, 2000, which showed a net loss for the period ending December 31, 2000. She said the balance sheet indicated that cash made up 14% of the Company's total assets as of December 31, 2000, and the current ratio reflected was 1.08, which means there were enough current assets to meet all of the current liabilities at the date of the balance sheet. Further, Ms. Dowdy said retained earnings were negative, due to prior losses, and that stockholders' equity was positive. The Company had no long-term debt as of the date of the balance sheet. Ms. Dowdy stated that the financial statements filed with the Application indicate that Domino is liquid but the retained earnings are negative. She said in order for the Company to be able to continue to operate, it will have to have a source for working capital, such as profits, long term debt or additional paid in capital by the owners.

Mr. Lacoste presented testimony to the Commission on the findings of the Utilities Department with respect to Domino's Application for a Certificate of Public Convenience and Necessity. According to Mr. Lacoste, Domino seeks authority to provide facilities-based local and interexchange telecommunications services within South Carolina. Mr. Lacoste testified that Domino seeks to have its local telecommunications services regulated in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Also Domino requests that the Commission regulate Domino's long distance business service offerings, including consumer card and operator service offerings in accordance with the principles and procedures established by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Mr. Lacoste stated that the Staff did not oppose waiver of the application of 26 S.C.Code Ann. Regs. 103-631 (1976 and Supp. 2000) concerning the publication of local directories or waiver of application of 26 S.C.Code Ann. Regs. 103-610 (1976) which requires that all records be kept within the State of South Carolina, or the grant of permission to maintain books and records in conformance with Generally Accepted Accounting Principles (GAAP) rather than the Uniform System of Accounts (USOA). He also stated that the Commission Staff does not feel that the Commission should grant the Company's request that it not be subjected to various reporting requirements. Commission Staff feels that the Company should be required to file annual financial reports and quarterly local service quality reports (S.C.Code Regs. 103-618 and 619 (1976 and Supp. 2000)).

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Domino is a privately held corporation duly organized and existing under the laws of the State of Delaware and is authorized to do business in the State of South Carolina by the Secretary of State.

2. Domino is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. Domino has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2000).

4. The Commission finds that Domino's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2000).

5. The Commission finds that Domino will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2000).

6. The Commission finds that Domino will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2000).

7. The Commission finds that the provision of local exchange service by Domino “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2000).

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Domino to provide competitive resold and facilities-based intrastate local exchange services only to customers located in the non-rural areas of the state. The terms of the Stipulation between Domino and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulation. In addition, Domino is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. Domino shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Domino’s local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Domino's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Domino's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of Domino which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of Domino, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Domino also.

4. With regard to the residential interexchange service offerings of Domino, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, Domino shall not adjust its residential interexchange service rates below the approved maximum level without notice to the Commission and to the public. Domino shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2000).

6. If it has not already done so by the date of issuance of this Order, Domino shall file its revised long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Domino to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Domino shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. Domino is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

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9. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. Domino shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Domino changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, Domino shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

12. Domino shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, Domino shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm). The two page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the



Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses.

13. In addition, Domino is required to file annual report information for competitive local exchange carriers. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm). This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, Domino shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at [www.psc.state.sc.us/forms/default.htm](http://www.psc.state.sc.us/forms/default.htm).

14. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Domino shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. Domino shall also

file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

15. Domino shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

16. By its Application, Domino requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2000). In lieu of publishing local directories, Domino informs the Commission that it will contract with the incumbent LECs to provide Domino's customers with directory listings, as well as to undertake the distribution of directories. The Commission finds Domino's request reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2000). Further, Domino is granted a waiver of 26 S.C. Regs. 103-610 (1976 and Supp. 2000) requiring the Company to maintain its financial books and records within the State of South Carolina. Domino is hereby granted permission to maintain its financial books and records at its principal headquarters in Falls Church, Virginia. Additionally, Domino requested that it not be subjected to various reporting requirements. The Commission feels that the Company should be required to file annual financial reports and quarterly local service quality reports (S.C. Code Ann. Regs. 103-618 and 619 (1976 and Supp. 2000)). Further, the Commission acknowledges that Domino will maintain its financial books and records in conformance with GAAP. Domino is directed to comply with all

Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

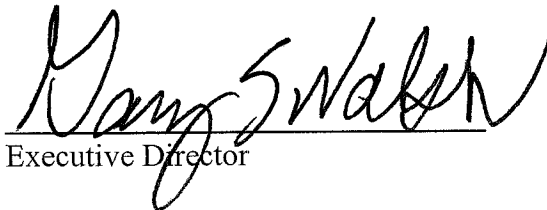
17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "William Buckley", written over a horizontal line.

Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "Mary Swales", written over a horizontal line.

Executive Director

(SEAL)

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 2001-26-C

Re: Application of Domino Networks Communications, )  
Inc. for a Certificate of Public Convenience and )  
Necessity to Provide a Broad Range of Telecommu- )  
nications Services, including Resold and Facilities- )  
based Local Exchange and Interexchange Telecommu- )  
nications Subscribers in the State of South Carolina )

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**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Domino Networks Communications, Inc. ("Domino Networks") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Domino Networks' Application. SCTC and Domino Networks stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Domino Networks, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Domino Networks stipulates and agrees that any Certificate which may be granted will authorize Domino Networks to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Domino Networks stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Domino Networks stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area,

unless and until Domino Networks provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Domino Networks acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Domino Networks stipulates and agrees that, if Domino Networks gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Domino Networks will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Domino Networks acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Domino Networks, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Domino Networks agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Domino Networks hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 8<sup>th</sup> day of March, 2001.

Domino Networks Communications, Inc.:

John J. Pringle, Jr.

South Carolina Telephone Coalition:

Margaret M. Fox

M. John Boyen, Jr.

Margaret M. Fox

McNAIR LAW FIRM, P.A.

Post Office Box 11390

Columbia, South Carolina 29211

(803) 799-9800

Attorneys for the South Carolina Telephone  
Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

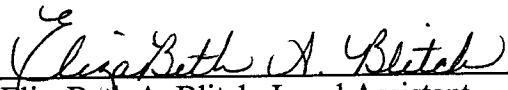
Docket No. 2001-26-C

Re: Application of Domino Networks Communications, )  
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Necessity to Provide a Broad Range of Telecommu- )  
nications Services, including Resold and Facilities- )  
based Local Exchange and Interexchange Telecommu- )  
nications Subscribers in the State of South Carolina )  
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**CERTIFICATE OF  
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire  
Beach Law Firm, P.A.  
Post Office Box 11547  
Columbia, South Carolina 29211-1547.

  
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